

ALWEN HOUGH JOHNSON PENSION AND ASSURANCE SCHEME

IMPLEMENTATION STATEMENT FOR THE YEAR ENDING 31 MARCH 2024

Glossary

ESG	Environmental, Social and Governance
Investment Adviser	First Actuarial LLP
LGIM	Legal & General Investment Management
Scheme	Alwen Hough Johnson Pension and Assurance Scheme
Scheme Year	1 April 2023 to 31 March 2024
SIP	Statement of Investment Principles
UNPRI	United Nations Principles for Responsible Investment

Introduction

This Implementation Statement reports on the extent to which, over the Scheme Year, the Trustees have followed their policy relating to the exercise of rights (including voting rights) attaching to the Scheme's investments.

In preparing this statement, the Trustees have considered guidance from the Department for Work & Pensions which was updated on 17 June 2022.

Relevant Investments

The Scheme's assets are invested in pooled funds none of which include an allocation to equities. As such the investment manager doesn't have an entitlement to vote on behalf of the Scheme so there were no voting records for the Trustees to analyse.

The Trustees' Policy Relating to the Exercise of Rights

Summary of the Policy

The Trustees' policy in relation to the exercise of the rights (including voting rights) attaching to the investments is set out in the SIP. The SIP was updated during the Scheme year to reflect changes made to the Scheme's investment strategy, but wording relating to the exercise of rights was not revised. A summary of this wording is as follows:

- The Trustees believe that good stewardship can help create, and preserve, value for companies and markets as a whole.
- The Trustees invest in pooled investment vehicles and therefore accept that ongoing engagement with the underlying companies (including the exercise of voting rights) will be determined by the Investment managers' own policies on such matters.
- When selecting a fund, the Trustees consider, amongst other things, the investment manager's policy in relation to the exercise of the rights (including voting rights) attaching to the investments held within the fund.

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- When considering the ongoing suitability of an investment manager, the Trustees (in conjunction with their Investment Adviser) will take account of any particular characteristics of that manager's engagement policy that are deemed to be financially material.
- The Trustees will normally select investment managers who are signatories to the UN Principles for Responsible Investment (UNPRI).
- If it is identified that a fund's investment manager is not engaging with companies, the Trustees may look to replace that fund. However, in the first instance, the Trustees would normally expect their Investment Adviser to raise the Trustees' concerns with the investment manager.

Has the Policy Been Followed During the Scheme Year?

Although the Trustees' no longer invests in funds holding exposure to equities, the Trustees' policy regarding the exercise of rights remains unchanged and would be applied if an investment in a fund with equity exposure is selected in the future.

The Trustees' opinion is that its policy relating to the exercise of rights (including voting rights) attaching to the investments has been followed during the Scheme Year. In reaching this conclusion, the following points were taken into consideration:

- There has been no change to the Trustees' belief regarding the importance of good stewardship.
- The Scheme's invested assets remained invested in pooled funds over the period.
- During the Scheme Year, the Trustees introduced an allocation to several LGIM Green Gilt Funds, LGIM Index-Linked Gilt Funds, LGIM Leveraged Gilt Funds, LGIM Leveraged Index-Linked Gilt Funds and LGIM Maturing Buy & Maintain Credit Funds. This was part of an Enhanced Service Arrangement implemented by the Trustees which delegated responsibility of selection of new funds to LGIM provided they fit the parameters of the arrangement. The Trustees considered the ESG characteristics of the available range of funds before selecting them but, because the fund does not include an allocation to equities, consideration of the exercise of voting rights was not relevant.
- The investment manager used by the Scheme is a UNPRI signatory.

None of the assets that the Scheme invests in have any voting rights attached. The Trustees will continue to assess whether this continues to remain the case over the next period and will be mindful of potential managers' voting records should the Scheme need to select additional funds.

Philip Whittome

..... Date: 4 October 2024

Signed on behalf of the Trustees of the Alwen Hough Johnson Pension and Assurance Scheme